

Thomas P. Gressette, Jr.

From: John Beach <John.Beach@arlaw.com>
Sent: Friday, January 12, 2018 11:51 AM
To: Thomas P. Gressette, Jr.
Cc: Jack Pringle; Bateman, Andrew; Nelson, Jeff (jnelson@regstaff.sc.gov)
Subject: DIUC - Questions on 4th Quarter Billing and Credits

Tom,

Thanks for your time yesterday. I have a meeting at noon, so cannot participate in this call. Here are our present questions:

- On DIUC's 4th quarter, 2018 bills to its customers, which line reflects the credit for the previous 6 quarters ("6 Quarters Credit")? We presume that credit is reflected in the "Total Previous Balance" line, but please confirm and, if the amount is reflected elsewhere, please inform us where.
- Which monetary elements are included, or potentially included, in the "Total Previous Balance"? (e.g., 6 Quarters Credit, unpaid balance from previous billing, etc.)
- If a Customer had a balance due from the prior billing period (for utility services and/or availability fees), how is that previous balance reflected in that customer's 4th quarter bill? How could such a customer tell what part of the Total Previous Balance represented the balance due versus the 6 Quarters Credit?
- If a customer is billed for more than one property on a single bill, does that bill distinguish between the 6 Quarters Credit applicable to each property? If not, how is the customer to determine the credit breakdown between the properties?
- How did DIUC calculate each customer's 6 Quarters Credit?
- What mechanism did DIUC use (the DIUC billing system, a separate spreadsheet, etc.) to calculate each customer's 6 Quarters Credit? If a separate spreadsheet, please provide a "live" version of the spreadsheet to the POAs and ORS, including associated customer billing and usage information. See, S.C. Code Ann., Section 58-5-240(D).
- Provide a representative explanation that shows, to the extent applicable, quarter by quarter, rate element by rate element, separated by water and sewer service, and including interest, how DIUC calculated that representative customer's 6 Quarters Credit.
- Provide a representative explanation that shows, quarter by quarter, separated by water and sewer service, and including interest, how DIUC calculated that representative customer's 6 Quarters Credit for availability fees.
- Explain the mathematical basis for your contention that 12% annual interest for 5 quarters equals 12.3%. Explain the mathematical basis for your contention that 12% annual interest for 6 quarters equals 13.4%.
- Why did DIUC not calculate interest on a customer's "pre-Interest credit" amount at 15% for 5 quarters and 18% for 6 quarters?

Best regards,

-John

John Beach

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